

MD

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471-0055

LB 629

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES * | | | | |
|--|--------------|---------|--------------|---------|
| | FY 2011-12 | | FY 2012-13 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | \$500,000 | | \$500,000 | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | \$500,000 | | \$500,000 | |

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 629 is the Hazardous Liquid Pipeline Reclamation and Recovery Act.

The purpose of the Act, as stated in section 3, is to ensure that no pipeline carrier is allowed to construct or operate a pipeline for the transportation of hazardous liquid unless and until the Public Service Commission certifies that the pipeline carrier has provided proof of financial responsibility pursuant to the act.

Section 4 (3)(a) requires the PSC to hold a public hearing to determine the amount of the bond, deposit, or escrow account required under section 3. In determining the amount of the bond, deposit, or escrow account, the commission shall consider any conditions specified by the commission, including, but not limited to, the topography, geology, and hydrology of the area through which the pipeline is proposed to be constructed and the history of environmental activities of the pipeline carrier.

The PSC estimates the need for \$500,000 per year to administer the bill's provisions. This is largely due to the areas of expertise required to fulfill the bill's requirements and the current lack of such expertise at the agency. The PSC would have to perform the required analysis on a contractual basis. Such levels of expertise will likely be costly. There is no basis to disagree with the estimate.

